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TSPIRS

Timber Sale Program Information Reporting System

Tongass
National Forest
1988



United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-61

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Tongass National Forest's timber management program for fiscal year 1988. This report displays revenues and costs developed by GAO and Forest Service cost centers.

I. REVENUES

Timber Sales	\$1,810,953
Purchaser Road Credit ^{1/}	8,760,930
Associated Charges ^{1/}	396,161
Interest and Penalties	8,587
Total Revenues	\$10,976,631

II. EXPENSES

Sale Administration	\$1,843,656
Sale Activity Allowance ^{1/}	5,684,291
Growth Activity Allowance ^{1/}	2,425,485
Facilities Depreciation	472,070
General Administration	2,180,288
Total Operating Expenses	\$12,605,790

Gain/ <Loss> Before Payments to State	<\$1,629,159>
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III. PAYMENT TO STATE ^{1/ 3/}	\$256,208
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Net Gain/ <Loss> From Timber Sales	<\$1,885,367>
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IV. VOLUME HARVESTED ^{2/} (in board feet)	396,000,000
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^{1/} See Glossary of Terms

^{2/} 332,000,000 board feet, net saw log volume

^{3/} Payment to state was reduced by approximately \$900,000 in FY 1989 due to application of rate redeterminations in accordance with the Federal Timber Contract Modification Act, PL 98-478.

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1988. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the present net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan.

I. PRESENT VALUE BENEFITS

Timber	\$2,820,652
Recreation	108,397
Wildlife	271,300
Fisheries	485,600
Total Present Benefits	\$3,685,949

II. NEGATIVE EFFECTS

Wildlife	\$71,100
Fisheries	30,016
Total Negative Effects	\$101,116

III. INVESTMENTS VALUE

Timber	\$2,157,371
Roads	80,467
Recreation	0
Wildlife	0
Fisheries	34,800
Total Investments	2,272,638

IV. PRESENT NET VALUE

\$1,312,195

REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1988 harvest had upon local employment and income.

I. EMPLOYMENT

Direct Jobs	1,781
Indirect & Induced Jobs	1,604
Total Jobs	3,385

II. LOCAL FISCAL EFFECTS

Total Personal Income	\$117,657,000
Cumulative Value to Local Communities	484,968,000
25% Fund Payment to State ^{1/}	\$256,208

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet):	
Offered - net saw log vol. ^{1/}	347,000,000
Sold - net sawlog vol.	315,000,000
Harvested - net saw log vol.	332,000,000
- utility ^{1/}	64,000,000
Total Harvest	396,000,000
Regeneration Treatment (acres) ^{1/}	5,314
Timber Stand Improvement (acres)	0
Total Area Harvested (acres)	9,677

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	39
Purchaser Credit	100
Total	139

^{1/} See Glossary of Terms

Glossary of Terms

Associated Charges. These are cash collections from the purchaser required or allowed by the timber sale contract and include deposits made for brush disposal, road maintenance and erosion control. Cooperative deposits, liquidated damages and default payments are other possible associated charges.

Cost Pools. This cost accounting system uses two cost pools to accumulate certain costs. The cost pools are ways to capture different types of multi-year costs and allow them to be matched against revenues.

Sale Activity Allowance is composed of the following activities: Timber Planning, Silvicultural Examinations, Sale Preparation, Other Resource Support, Timber Salvage Sale Fund, Brush Disposal, KV Reforestation, Co-op Road Maintenance, and Transportation Planning. Current actual costs for these activities are added to the cost pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula:
$$\text{Sale Activity Pool Allowance} = (\text{Volume Harvested} \times \text{Current Year Pool Balance}) / (\text{Volume Under Contract} + \text{Volume Harvested}).$$

Growth Activity Allowance is composed of the following activities: Appropriated Reforestation, Appropriated Stand Improvement, Nursery Management, Genetic Tree Improvement, KV Stand Improvement, Timber Road Design and Construction, and Purchaser Credits Established. Current actual costs from these activities are added to the cost pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula:
$$\text{Growth Activity Pool Allowance} = (\text{Volume Harvested} \times \text{Current Year Pool Balance}) / (\text{Total Volume Over Average Rotation Period}).$$

Purchaser Road Credit. Credit earned by the timber purchaser that is applied to stumpage charges above base rates and is considered revenue. Purchaser road credit is determined by a Forest Service engineer's estimate. This amount is reflected in the timber sale contract.

Payments to States. A fund consisting of approximately 25 percent of the gross annual timber receipts received by the National Forests in that state. This is returned to the State for use on roads and schools.

Regeneration Treatment. Treatments and activities that relate to the reestablishment of stands of trees. Includes planting, seeding, and preparing the ground for seed-in from adjacent stands where ground preparation is not necessary.

Net Sawlog Volume. Trees suitable in size and quality for producing logs that can be processed into lumber. In Southeast Alaska, depending on the market, the volume may be processed as pulp or lumber.

Utility (Pulp) Volume. Logs that do not meet minimum requirements for sawtimber but are suitable for the production of usable pulp chips.